

**COUNTY OF GREENWOOD LOCAL HOSPITALITY TAX
GENERAL QUESTIONS & INSTRUCTIONS**

What is a Local Hospitality Tax?

A 2% tax on the purchase of prepared or modified food and/or beverages intended for immediate consumption. Prepared meals and beverages means the products prepared or modified by an establishment which at the time of sale is ready for consumption by members of the public and *meets at least one* of the following conditions: 1) It is sold in a heated state or it is heated by the retailer, 2) It consists of two or more foods mixed or combined by the retailer for sale as a single item, and/or 3) It is sold with eating utensils provided by the retailer, such as plates, knives, forks, spoons, glasses, cups, napkins, and straws. Food service establishments are defined as businesses within the County that sell prepared meals and beverages (including alcohol beverages) for immediate consumption. These establishments include restaurants, bars and lounges, hotel and motels with restaurant and/or lounge facilities, caterers, ice cream shops, bakery shops, and other food service facilities including convenience and grocery stores. The Local Hospitality Tax does not apply to organizations that are exempt from collecting state sales tax.

Why was it necessary to implement a Local Hospitality Tax?

To provide an additional source of funding to be used for the dedicated purpose of improving services and facilities for visitors to the Greenwood area.

When will the tax begin?

The implementation date of the County of Greenwood Hospitality Tax is January 1, 2015.

Who is responsible for collecting and remitting the Local Hospitality Tax?

The business that is affected by this tax is liable for the collection of this tax from patrons and to remit collections to the County of Greenwood or designated agency. You will be notified when your forms are mailed where to make payment.

When is the Local Hospitality Tax due and how is it reported?

Taxes are due on a monthly basis. Upon request, the taxpayer may remit taxes every 28 days or quarterly provided the taxpayer remits sales tax to the SC Dept. of Revenue on the same time schedule. Businesses are required to file a report for every reporting period even if no tax is due for the period. The reporting period is defined as the prior month, quarter, or 28 days. Remittance is due on the 20th day following the end of the reporting period. A completed Hospitality Tax Reporting Form must accompany each remittance. When the hospitality tax return is filed and the taxes due on it are paid in full on or before the final due date, the filer is allowed a discount of two (2) percent on the tax shown to be due by the return. The due date for each remittance is printed on each form; however, 28 day filers must write the period start and end dates on each form. Quarterly filers are required to use the report corresponding to the third month of each quarter. PLEASE DO NOT REMIT THIS TAX TO THE SC DEPARTMENT OF REVENUE.

When is my tax considered late?

If the stated due date falls on a weekend day or legal holiday, the following business day is the due date. Any reports mailed **MUST BE POSTMARKED BY THE US POSTAL SERVICE ON THE DUE DATE** to be considered filed on time.

What if my tax payment is late?

A 5% per month penalty in addition to the local hospitality tax due must accompany all delinquent remittances.

RESTAURANTS AND BARS

What sales are affected by the Hospitality Tax for restaurants, bars and other food service establishments?

ALL food, beverage, and alcohol sales.

CONVENIENCE STORES & GROCERY STORES

What sales are affected by the Hospitality Tax for convenience stores and grocery stores?

All food and/or beverage items that are prepared or modified and available for immediate consumption.

What are some examples of prepared and/or modified food and beverages affected by the Hospitality Tax?

- a. Heated foods (pizza, nachos, hot dogs, sandwiches, chicken, vegetables, etc.)
- b. Prepared sandwiches and salads.
- c. Fountain drinks, frozen drinks, coffee, & cappuccino.

What are some examples of prepared and/or modified food and beverages NOT affected by the Hospitality Tax?

- a. Packaged foods.
- b. Bulk or packaged cold deli products.
- c. Canned or bottled beverages.

ACCESSORY USE FOOD SERVICE FACILITIES

What sales are affected by the hospitality tax for food service which is an accessory to the primary business (arcades, amusements, theaters, etc.)?

Prepared or modified food and beverage items such as fountain drinks, popcorn, nachos, etc.